

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 3 — 0 3

2. STATE:

WV

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

February 1, 2003

5. TYPE OF PLAN MATERIAL (Check One):

☒ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☐ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447.300 Subpart F

7. FEDERAL BUDGET IMPACT:

a. FFY 2003 \$ 257,000
b. FFY 2004 \$ 3,000,000

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

ATTACHMENT 4.19-B
Page 3b9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

10. SUBJECT OF AMENDMENT:

This state plan amendment amends the payment methodology for state-owned and non-state government-owned physician and dentists by providing for payments within the upper payment limits as set forth in 42 CFR 447.272.

11. GOVERNOR'S REVIEW (Check One):

- ☒ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Nancy V. Atkins, MSN, RNC, NP

14. TITLE:

Commissioner

15. DATE SUBMITTED:

MARCH 17, 2003

16. RETURN TO:

Nancy V. Atkins, MSN, RNC, NP
Commissioner
Bureau for Medical Services
350 Capitol Street, Room 251
Charleston, WV 25301-3706

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

MARCH 28, 2003

18. DATE APPROVED:

FEB 24 2004

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

FEBRUARY 1, 2003

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

MARY T. McSOLLEY

22. TITLE: ASSOCIATE REGIONAL ADMINISTRATOR
DIVISION of MEDICAID & CHILDREN'S HEALTH

23. REMARKS:

4.19 Payments for Physician Services**Physician Services****Special Payments to Essential State-owned or operated Physicians and Dentists**

- I. Specific criteria for essential state-owned or operated physicians and dentists who are members of a practice group organized by or under the control of a state academic health system or an academic health system that operates under a state authority.
 - A. Must be a West Virginia licensed physician or dentist;
 - B. Must be enrolled as a West Virginia Medicaid provider;
 - C. Must be a member of a state-owned or operated physician or dental group practice organized by or under the control of a state academic health system or an academic health system that operates under a state authority, as determined by the Department of Health and Human Resources, Bureau for Medical Services.
- II. Payment Methodology:
 - A. A supplemental payment will be made for services provided by qualifying essential state-owned physicians or dentists who are members of a group practice organized by or under the control of a state academic health system or an academic health system that operates under a state authority based on the following methodology. The supplemental payment to each qualifying physician or dentist will equal the difference between the Medicaid payments otherwise made to these qualifying providers for physician and dental services and the average amount that would have been paid by commercial insurers for the same services. The average amount that private commercial insurers would have paid for Medicaid services will become the maximum Medicaid reimbursable amount for total Medicaid reimbursement, i.e., regular Medicaid payments and the supplemental payments made under this plan amendment. To determine this maximum Medicaid reimbursable amount, the Medicaid Agency will determine what all private commercial insurance companies paid for at least 80% of the commercial claims from the public physician providers affected by this plan amendment and divide that amount by the respective charges for those same claims. (The claims payments and charges will be obtained from the year preceding the reimbursement year.) The resulting ratio of payments to charges will be multiplied by the actual charges for the Medicaid services provided by the public physician providers, and the product will be the maximum Medicaid reimbursable amount. The actual non-supplemental Medicaid payments to the public physician providers will be subtracted from the maximum Medicaid reimbursable amount to yield the supplemental payment amount.
 - B. The supplemental payment for services provided will be implemented through a quarterly supplemental payment to providers, based on specific claim data.

TN No. 03-03

Supersedes

TN No. New

Approved

FEB 24 2004Effective Date **FEB 01 2003**